

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, April 2, 1997

TIME LIMITS ON CONSTRUCTION APPORTIONMENTS

PURPOSE OF REPORT

To modify the State Allocation Board (SAB) policy regarding the time limitations on Phase C apportionments.

DESCRIPTION

The SAB has previously implemented time limit policies on Phase C apportionments to encourage districts to use the funds as timely as possible after the allocation has been made. The policy was modified over the years and currently provides the following:

1. The district has 365 days from the date of the Phase C apportionment to commence construction on the project. Start of construction is deemed to be the date the "Notice to Proceed" was issued for the project.
2. If the construction does not commence within the 365 day time period, the construction apportionment is automatically scheduled for rescission at the next available SAB meeting.
3. Districts may request an extension of the 365 day time limit from the SAB on a case-by-case basis.
4. Further, at its February 26, 1997 Board meeting, the Board stated that districts that have had their construction apportionments (Phase C) for ten months or more have two months to bid their projects or submit a request for an extension.

At the August 28, 1996 Board meeting, the SAB members authorized the Chairperson of the State Allocation Board to perform certain functions on behalf of the SAB to expedite the application process. This "delegation of authority" provided administrative approvals for time extension that meet statutes or SAB policy.

There are still over 300 projects (see information section) that received a Phase C apportionment out of Proposition 203 funds that have not submitted the bid documents to the Office of Public School Construction (OPSC) in order for the bid to be approved by the SAB. There is concern that many of these projects will be subject to rescission as a result of the current policy or will be requesting an extension from the SAB which will create a substantial workload to the OPSC.

The OPSC and the SAB Implementation Committee have reviewed the policy and agree to the recommendations below.

RECOMMENDATIONS

1. The initial time limit policy requirements will be considered as having been met once the district has submitted construction contract documents to the OPSC for at least 50 percent of the construction. The remaining portion of the construction apportionment will be subject to rescission if the balance of the project is not committed within two years from the construction apportionment, or later date as specified by the SAB.

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RECOMMENDATIONS (con't)

2. If the bid documents are not received within ten months of the Phase C apportionment, districts will be notified by the OPSC that the project's Phase C apportionment is subject to rescission.
3. After the 365 day time limit has expired, projects will automatically be scheduled for rescission at the next available SAB meeting if any of the following occurs:
  - a. The district has not responded to the OPSC within 60 days of the ten month letter.
  - b. The OPSC receives evidence that the district does not have its share of a 50/50 project.
  - c. Required Division of State Architect (DSA) code revisions to the plans and specifications were not submitted to the DSA within 90 days of the Phase C apportionment.
4. Districts may qualify for an extension of 90 days where the delays were beyond the control of the district and which meet any of the following criteria:
  - a. The required DSA code revisions to the plans and specifications were submitted to the DSA within 90 days of the Phase C apportionment and there has been a delay of the review by a state agency.
  - b. The district has multiple projects that received a Phase C apportionment at the same time and therefore the district needs to phase into the bids.
  - c. The construction of the project has been or will be delayed due to the inability to obtain interim housing facilities.
  - d. The plans and specifications had to be redrawn as a result of reduced eligibility or because of bids which exceeded the SAB allowances.
  - e. The service site development was bid separately which has delayed the bidding of the building portion of the project. The balance of the project must commence construction within 90 days of the completion of the service site contract.
5. Any project that meets the criteria for a 90 day extension as outlined in item 4 will be made in accordance with the "delegation of authority" granted to the Chair of the SAB by Board action of August 28, 1996.